as crucial to Enron's manipulation of the California energy market which provoked an energy crisis in the State in 2000 and 2001.

Last month, with passage of the farm bill, the Congress finally succeeded in bringing a measure of oversight and transparency to this market, requiring the Commodities Future Trading Commission, CFTC, to review all contracts to determine which ones should be regulated as though traded on a major public exchange.

While this was a step in the right direction, and the result of much thoughtful discussion and debate, the farm bill provision can be improved upon and strengthened. That is why I introduced a bill to shut down the unregulated oil futures markets created by the now-infamous ''Enron loophole.'' It also removes energy from the list of exempt commodities; requires energy to be traded on a regulated market; and creates a new definition of what constitutes an energy commodity.

Senator REID has introduced a leadership bill that reins in speculation by imposing position limits ensure that legitimate speculation doesn't get out of hand. It is a more complicated approach that leaves the door open for unregulated trading, but if it is done right, the approach taken by Senator REID can get us where we need to be. And I am interested in working with Senator REID to ensure that his bill gets at the problem.

I believe that some small but significant changes can significantly improve the bill. If our approach to dealing with excessive speculation is to impose speculation limits, then we must ensure that those limits actually operate as limits, not as loopholes.

U.S. speculators should not be able to circumvent speculation limits by trading on foreign exchanges, by setting up a subsidiary that would not be subject to the limits, or by trading both on and off regulated exchanges without aggregating the number of contracts so they count against the overall speculation limit set by the CFTC.

If we pass a bill that allows speculators to evade these limits, the bill's promise will remain unfulfilled, and we will have the worst of all worlds—a bill that purports to tamp down on speculation but fails to do so, and a bill that lets those who would dismiss the effect of excessive speculation on the price of oil say ''I told you so.''

My friends on the other side of the aisle, the editorial page of the Wall Street Journal and Wall Street financiers, call the effort to shut down excessive speculation misguided and say that the spiking price of the barrel of oil is just the market telling us that demand exceeds supply.

But ask yourself whether this makes sense. When the Saudis agreed to increase production, there was no drop in the price of oil. But the price of oil keeps spiraling, and while there is no evidence of dramatically increased demand, there is plenty of evidence that speculative money is pouring into the energy futures market.

The airlines, which hedge against increases in the price of jet fuel by participating in the energy futures market, are suffering. They are the legitimate hedgers who actually use the futures, and they are calling on us to take action against excessive speculation.

Meantime, the oil companies loudly will be claiming they need to drill in new areas off the coasts of Florida and California. They have a well financed campaign that says: Drill here; drill now; pay less. This is cruelly misleading and deceitful. Drilling everything we have in the waters below our coasts will do nothing to lower the price of gas.

If we open all our shores and give away billions in tourism, fishing, and all the economies of all the coastal States to boost oil production, the first drop of oil wouldn't be seen until the year 2017, and oil production would peak in the year 2030.

What could we get in the year 2030? We would get 200,000 barrels a day.

To put that number another way, as expressed by my colleague, Senator MENENDEZ yesterday, ''the amount of gas we could get from offshore drilling is equivalent to a few tablespoons per car per day.''

It is simply wrong to think that opening offshore drilling will lower gas prices.

Yet the public relations machine of big oil continues to churn out falsehoods. They insist they are trying to find new oil that might help bring down gas prices, but the money they spend on exploration is nothing compared with what they spend on stock buybacks and dividends.

This is good news for shareholders but offers no help to drivers to offset the high cost of fuel.

Yesterday the Associated Press reported the 5 biggest international oil companies plowed about 55 percent of the cash they made from their businesses into stock buybacks and dividends last year, up from 30 percent in 2000 and just 1 percent in 1993, according to Rice University's James A. Baker III Institute for Public Policy.

The percentage they spend to find new deposits of fossil fuels has remained flat for years, in the mid-single digits.

In the first 3 months of this year, ExxonMobil Corp., the world's biggest publicly traded oil company, shelled out $8.8 billion on stock buybacks alone, compared with $5.5 billion on exploration and other capital projects.

ConocoPhillips has already told investors that its stock buybacks for April to June of this year will come to about $2.5 billion, 9 times what it spent on exploration.

This leads me to the conclusion of one oil expert who said, ''If you're not spending your money finding and developing new oil, then there's no new oil.''

Senator REID has introduced a leadership bill that will rein in speculation. Over and over, the Congress has heard testimony that the question of supply and demand is not what is causing oil to be up at $130 a barrel, as I referred to earlier, statements by oil company executives that the price of a barrel of oil would be much less, given the normal vagaries of the market of supply and demand, even though there is a lot of demand out there in the world market. But as Senator REID pointed out, in the underlying bill that is before the Senate, it is the speculators, unregulated after the law was changed to deregulate the markets, where there are no controls on how much oil they can buy on futures contracts or whether they have to use that oil, who continue to speculate and drive up the price. That is what this underlying bill is trying to address. They should not be able to circumvent speculation limits by trading, for example, on foreign exchanges if those oil contracts are for America.

I see my colleague from Pennsylvania is here, and I want him to have the time to which he is entitled.

What is confronting us is an effort to get us off focusing on the problem with this mindless statement that is out there, put out by the oil companies—look at who is sponsoring the advertisements on TV and in the newspapers; it is the only companies—and it is that statement: Drill here, drill now, pay less.

Now, if we are going to solve this problem, we have to do a bunch of things. But just drilling is not going to solve it because if you do just that, it is going to be years and years before the fruits of that effort come in. In fact, it has been said over and over, there are 68 million acres under lease that have not been drilled. There are plenty more acres out in the Gulf of Mexico, without getting close to Florida, without getting over the line into the military mission area, where the largest testing and training area of the U.S. military in the world is, off the coast of Florida in the Gulf of Mexico. There is plenty. So we ought to drill.

But at the same time, let's go after what is causing these prices to go through the roof. Speculation is a big part of it. If you want to get down to it, let's strengthen the U.S. dollar against the world's other currencies, by getting our fiscal house in order and starting to balance the Federal budget. That would help a lot too.

So it is an extremely complicated issue that a simple slogan is not going to solve. That is what this debate is trying to bring into focus. The American people can see through the simplified slogans of ''drill here, drill now.'' We need to get to a real solution.

Mr. President, I see my colleague from Pennsylvania is in the Chamber, and I wish to yield the floor so we can hear from him.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.